

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
W. R. GRACE & CO., et al., <sup>1</sup>	)	Case No. 01-01139 (JKF)
	)	Jointly Administered
Debtors.	)	Re: Docket Nos. 7346 & 7347 and 2/28/05 Agenda Items 1 & 2

**STIPULATION AND ORDER RESOLVING  
THE CLAIMS OF CITICORP DEL-LEASE, INC.**

This stipulation is entered into this 1st day of March, 2005, between W.R. Grace & Co. and its affiliates (collectively, the "Debtors") and Citicorp Del-Lease, Inc. ("Citicorp").

WHEREAS, on or about December 23, 1999, W. R. Grace & Co. entered into a Lease Agreement and lease schedule (collectively, the "Lease") with Citicorp, for the lease of four (4) Linde Baker Model H25T triplex mast forklifts, Serial Nos. 682325, 684425, 685125, and 698825 (collectively, the "Forklifts").

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<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

WHEREAS, on April 2, 2001 (the "Petition Date"), the Debtors commenced their respective reorganization cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

WHEREAS, on May 15, 2001, Citicorp. filed a Proof of Claim, designated as a Claim No. 68, in the amount of \$ 72,025.00 against Debtor W. R. Grace & Co. (the "Claim"). The Claim relates to the asserted residual value of the Forklifts under the Lease.

WHEREAS, this Court issued its Bar Date Order on April 22, 2002, which established March 31, 2003 as the Bar Date for the filing of certain pre-petition (a) non-asbestos, (b) asbestos property damage and (c) medical monitoring claims.

WHEREAS, the Debtors continue to use the Forklifts, but they have not made post-petition payments to Citicorp on account of the Lease for the period of April 2004 through December 2004. The sum of these amounts totals \$55,282.23.

WHEREAS, on or about December 22, 2004, Citicorp filed the following motions in the Debtors bankruptcy cases: (i) *Citicorp Del-Lease, Inc.'s Application for Allowance and Payment of Administrative Claims Pursuant to 11 U.S.C. § 5365(d)(10) and 503(b)* [Docket No. 7347] and (ii) *Motion of Citicorp Del-Lease, Inc. for Order Compelling Debtors to Assume or Reject Equipment Leases and Compelling Performance Thereunder* [Docket 7346] (collectively, the "Motions").

WHEREFORE, for good and valuable consideration, the parties hereby stipulate and agree as follows:

1. Within five (5) business days following the date of this Stipulation, the Debtors shall pay Citicorp \$55,282.23 in consideration of the post-petition amounts due on account of the Lease and/or the Forklifts (the "Payment").

2. Upon tender of the Payment, Citicorp shall promptly withdraw both of the Motions.

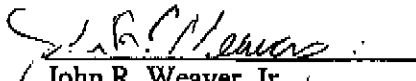
3. Claim No. 68 shall be disallowed and expunged.

4. The Debtors shall promptly direct Rust Consulting, Inc., the Court-appointed claims agent for the Debtors' bankruptcy cases, to mark the official Claims Register to reflect that Claim No. 68 shall be expunged as outlined herein.

5. Citicorp agrees that, upon payment of these amounts, Grace's obligations to Citicorp. on account of the Forklifts and/or Lease will be completed, in full, and Citicorp. shall be forever barred, estopped, and enjoined from asserting any additional pre-petition or post-petition claims relating to the Lease or Forklifts.

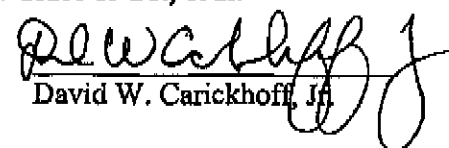
6. The parties shall take whatever additional actions, if any, may be necessary to ensure that the steps outlined herein are completed as contemplated by this Stipulation.

Citicorp Del-Lease, Inc.

By:   
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By:   
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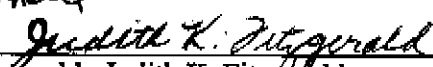
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Co-Counsel for the Debtors and  
Debtors in Possession

SO ORDERED THIS 11,  
day of ~~March~~ April, 2005.

  
The Honorable Judith K. Fitzgerald  
United States Bankruptcy Judge